

---

## Evaluating Merchant Category Codes

The VISA system assigns Merchant Category Codes (MCC) to every merchant that accepts the VISA card based on the type of goods or services that merchant typically provides. Transaction information that State Entities can download from the Works Payment Manager system includes the MCC assigned to the merchant.

The State of Georgia has four standard profiles established in the Bank of America system. An MCC can be activated in one or more of these profiles. In addition to the standard profiles, Agencies and Universities are able to establish additional MCC groups based on their own needs with prior, written approval from the State Purchasing Card Program Manager.

The **MCCSelf-AuditSpreadsheet.xls** workbook has two spreadsheets, one for transaction data (**Data**) and one for eligible MCCs (**mcc**). There are four steps to the process:

1. Extract transaction data from Works Payment Manager.
2. Transfer the transactions to the audit workbook.
3. Customize the **mcc** listing for special groups the State Entity might have. The workbook provides space for the user to enter five additional MCC groups and designate which MCCs are activated for that group. If more groups are needed, contact Process Improvement. If transaction data has been entered on the **Data** tab, the spreadsheet indicates which transactions were at MCCs that are prohibited at the State level and/or at the Entity level.
4. Research transactions at unauthorized MCCs

### Step 1 – Download Transaction Data from Works Payment Manager

Works Payment Manager allows the user to download transaction information into comma-delimited file, which can then be opened by Excel. The following data fields should be exported from Works Payment Manager using a configurable report. The data fields must be in the columns shown in order to correctly transfer the transactions to the workbook.

- |   |                       |
|---|-----------------------|
| A | Purchase Date         |
| B | Post (Bank) Date      |
| C | Cardholder Last Name  |
| D | Cardholder First Name |
| E | Merchant Name         |
| F | Merchant City         |
| G | Transaction Amount    |
| H | Transaction MCC       |

### Export Steps in Works Payment Manager

1. Log on to Works Payment Manager and click Configurable Reports on the left hand side of the screen.
2. Click Spend Reports.
3. Select Billing Statement from the dropdown list of available reports (Step 1 on the Report Configuration screen).
4. Choose CSV (comma-separated value) as the Export Format (step 2 on the Report Configuration screen). ***Do not choose “Excel” as the format. There is a field with numbers that you will need to have in “text” format in order for the analysis to work.***
5. Remove any data fields not shown in A-H above (Step 3 on the Report Configuration screen) by clicking on the data field name in the **Included columns** list and then the “X” to the right of the list of data fields.
6. Add any data field in A-H above not already in the list of data fields (Step 3 on the Report Configuration screen) by clicking on the data field name in the **Available columns** list and then the arrow to the right of the list.
7. Using the up and down arrows to the right of the list of data fields, arrange the data fields in the **exact** order shown in A-H above.
8. Select the range of transaction dates (Step 4 on the Report Configuration screen) by clicking on the **Date...** button next to “Post Date”.
9. To save the report with the new format, click the checkbox next to **Bookmark this report template** (Step 5 on the Report Configuration screen) and enter a new name and description.
10. Schedule the report to run (Step 6 on the Report Configuration screen) by clicking the **Now** radio button to select a specific time for a one-time export or the **Later** radio button to schedule a time to run. In order to make this a recurring export, click on **Recurring** and select when and how often to run the report.
11. Click the **Submit** button in the lower right hand corner.
12. When the report is ready, click on the **Download CSV** button. Click **Save** to save the file to a specified location.
13. Find the file in the directory and change the file extension from “csv” to “txt”. When prompted that changing the file extension might cause the file not to work, click “Yes”. The file will still work.

The next time you need to run the report, you can select the report from the template listing using the name given in step #9 above.

## Step 2 – Open the TXT file in Excel

1. Open Excel and select File/Open from the menu.
2. Change the file type to the option that includes “.txt”.
3. Locate the downloaded file.
4. Click **Open**. This will open the Text Import Wizard.
5. In Step 1, if not already selected, click the **Delimited** radio button and **Next**.
6. In Step 2, click the **Comma** check box, select the **quotation marks (")** from the **Text qualifier** dropdown list, and click **Next**.
7. In Step 3, the **MCC** field will have to be imported as a **text** field instead of numbers. Use the scroll bar to find the MCC field and click the **Text** radio button. [All fields except the MCC field can be imported as General format (numbers will be number fields, text will be text fields, dates will be date fields)].
8. Click **Finish**.

## Step 3 – Transfer Data to the MCC Audit Spreadsheet

1. Copy columns A through H for all transactions. The easiest way to do this is to hit **CTRL-A** to highlight all data in the spreadsheet. Do not simply highlight the entire spreadsheet because when you paste the information onto the Data tab in step #5 below, you will over-write a very important formula in column I.
2. Then, hit **CTRL-C** to copy all of the highlighted area to the Windows clipboard.
3. If not already open, open the MCCSelf-AuditSpreadsheet.xls and click on the **Data** tab.
4. Click on cell A1 if the cell pointer is not there already.
5. Hit **CTRL-V** to paste the transactions into the spreadsheet. Columns A through H will populate with the transaction data. Column I will contain either “Yes” or “No” indicating that the MCC in column H is on the eligible list or not. All “No” fields will also be highlighted in pink.

## Step 4 – Prepare Merchant Category Codes for Use

This step can be done either before or after the transaction data is copied into the **Data** tab.

The **mcc** tab of the workbook contains the pre-defined State MCC groups (in hidden columns). Columns K through O are formatted so that the user can enter additional groups and assign eligible MCCs to the groups. If there are more than five groups that should be added, contact Process Improvement.

To add MCC groups for data analysis:

1. Enter the name(s) of the group(s) as they appear in Works Payment Manager in cells K3 through O3 (gray cells) of the **mcc** tab.

2. Enter the word “Yes” in the row(s) for every MCC included in each additional MCC group (shaded in green). For example, if MCC 3000 (United Airlines) is eligible for the group name entered in cell K3, then enter the word “Yes” (no quotes) in cell K18.
3. Do this for all special groups or single MCCs that your agency has approval to use.
4. If data has already been entered on the **Data** tab, then the values in Column I will change to “Yes” and the pink highlighting will be removed for any transactions at merchants with MCCs that are eligible.
5. If the transaction has an MCC that is not on the **mcc** tab, then the formula error “#N/A” will still be in the cell.

### **Step 5 – Research Transactions at Unauthorized/Unrecognized MCCs**

If there are any transactions at ineligible MCCs:

1. First, determine if all special MCC groups have been entered into the **mcc** tab and that all included MCCs have been marked.
  - a. If additional MCCs need to be added, contact State Purchasing Division, State Cards Program Manager.
2. If all MCC information is correct, contact the cardholders and/or their supervisors for more information on the transaction.